



Worth the Cover Charge

Posted by **Pierluigi Oliverio** on Monday, August 17, 2009

The 20th San Jose Jazz Festival was a shining success—for itself, and also for Downtown San Jose. The festival showcased straight-up jazz, Latin jazz, blues, and Brazilian music, at outdoor stages scattered throughout the Downtown. Many of the Downtown hotels were filled with visitors, which means money for the City of San Jose in the form of transit occupancy tax (TOT). Forty percent of this tax goes to the general fund, and the balance is split between the convention center, cultural facilities, cultural grants and arts groups.

After the stages were closed down, the restaurants in the Downtown were filled with patrons spending money and listening to live music. I thought to myself: "If someone was visiting San Jose for the first time, they would be very impressed with our Downtown." There was something for everyone.

At one time, the San Jose Jazz Festival was free. However, over time the event changed and the organizers decided to charge an admission fee. In some ways, this was a risk. We can usually count on people attending a free event as long as it is advertised, however, changing a free event to one with an admission is a gamble.

Although I appreciate free events, for example, Farmers Markets and Music in the Glen, I do believe that people will pay to attend an event if they see the value in the entertainment. Once someone buys a ticket, they commit to staying for most of the event vs. a quick walk through. In addition, the cover price usually can keep the crowd manageable and diverse which I believe benefits the attendees and the sponsors.

For example, at the Jazz Festival, there were many happy people vs. people that sometimes are looking to cause trouble. In a day in age when sponsorships are harder to come by and cities have fewer resources, I believe events that have a cover charge may be the way to go.

Of course, if you're the Jazz Festival in Montreal and your main sponsor is a cigarette company, then perhaps funding is not such an issue. However those types of sponsors are not so popular in healthy California.

So perhaps Music in the Park, put on by the Downtown Association on Thursday nights, might consider a \$2-\$5 cover; or the same for Dancing on the Avenue in Willow Glen. Outdoor events are expensive to put on and a nominal amount of money per person could help to cover the costs and be treated as a partial tax deduction for the attendee if the festival is benefiting a charity of some kind.

On another note: I attended the ribbon cutting for the Ericsson Campus in North San Jose last week where I met the CEO from Sweden, Carl-Henric Svanberg. I thanked him for his investment in San Jose but also noted that as they grow partly by purchasing other companies that San Jose is the perfect place to be since so many new technologies are created and funded through local Venture Capitalists.

Ericsson is the world's biggest supplier of cell phone network equipment. Ericsson bought Redback Networks and others to make a presence in Silicon Valley and make San Jose a premier global Research and Development facility. Ericsson has great signage and is located in several buildings along 237 next to Force10 Networks and the new headquarters under construction for Brocade. Kudos to Ericsson's expansion during these times and providing 1,400 jobs in San Jose.

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